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5

CENTRAL INTELLIGENCE AGENCY
Washington, D.C. 20505

National Foreign Assessment Center

1 June 1981

MEMORANDUM FOR: Ambassador Charles Melssner
Special Negotiator for Economic Affairs
Department of State

SUBJECT: Preliminary Materials on Cancun Summit

1. The attached paper is in response to your request for a preliminary look at what we know so far about country concerns regarding the upcoming Cancun "minisummit." It contains a brief description of events leading up to the summit, a matrix summary of country positions on key issues, and country sheets that explain stances in more detail.

2. The paper, prepared as a joint project between our economic and political analysis offices, is a useful starting point for the evolving reporting requirements and analysis likely to take place between now and the Cancun summit. In addition, it will serve as a tutorial for those agencies and personnel that, as you suggest, are likely to be involved in Cancun preparations for the first time.

Director
Economic Research

Attachment:
As Stated

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KEY CONCERNS OF CANCUN SUMMIT PARTICIPANTS [REDACTED]

Background Note

This report is intended to be an up-to-date reference to the key concerns of the heads of state or government who have been invited to the Cancun Summit on North-South economic cooperation and development. It includes (a) a description of events leading up to the summit, (b) a matrix that summarizes known country positions on key topics likely to be discussed, (c) a brief description of the key issues, and (d) a set of country sheets that explain in greater detail the political and economic circumstances that affect each participant's stance. In reviewing this material, the reader will want to remember that no formal agenda has, as yet, been set for the summit. Thus, the positions presented here must be seen against a background of considerable flux in the direction that the discussions will actually pursue. To maintain the best current statement of country positions prior to the Cancun Summit, we invite comments and suggestions from all recipients. [REDACTED]

Origins of the Cancun Summit

In September 1977, former West German Chancellor Willy Brandt announced that he was inaugurating an "Independent Commission on International Development Issues" to examine "the grave global issues arising from the economic and social disparities of the world community and to suggest ways of promoting adequate solutions to the problems involved in development and in attacking absolute poverty." The Commission was composed of 21 internationally known economists, politicians, and other experts who could present viewpoints independent of established international institutions. [REDACTED]

The December 1979 report of the Brandt Commission stated:

We believe that an essential step....would be a summit meeting with leaders from both industrialized and developing nations. Such a summit should be limited to some 25 leaders who could ensure fair representation of major world groupings, to enable initiatives and concessions to be thrashed out with candor and boldness. [REDACTED]

The limited-participation summit was meant to provide a new focus on global problems and give a new impetus for future negotiations. The report acknowledged that the summit discussions could not be binding upon those countries not attending, but it expressed the hope that such a meeting could enhance the prospects for future action on [REDACTED]

17
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. North-South issues. [REDACTED]

Momentum behind the Brandt Commission's limited summit concept was slow to develop. This was due both to the primacy of ongoing debates in the United Nations on the global economic order, and lack of enthusiasm for a summit on the part of several major developed countries, including the United States. The General Assembly held its Eleventh Special Session in August 1980 to launch a comprehensive economic development and cooperation program called the Global Negotiations. The Global Negotiations were designed to generate an integrated framework for international economic relations for the 1980s, with special emphasis on the needs of developing countries. [REDACTED]

The special session became deadlocked over procedures and agenda, however, and failed to reach a decision on a framework for the Global Negotiations. The United States, joined by West Germany and the United Kingdom, opposed the text favored by the Group of 77 (the developing countries' UN caucus) because it could have reduced the autonomy of such UN specialized agencies as the World Bank and International Monetary Fund. [REDACTED]

The regular 35th Session of the General Assembly then took up the issue of the Global Negotiations when it convened in mid-September. The president of the General Assembly, Ruediger von Wechmar, took a special interest in the Global Negotiations and invited a select group of UN Ambassadors to meet frequently as "friends of the president" in an effort to hammer out differences and work toward an acceptable agenda and procedure. Von Wechmar had hoped that his "friends" would be able to formulate a compromise by the third week in November. Well before Von Wechmar's deadline, however, it became apparent that no agreement would be reached and that the momentum behind the Global Negotiations had dissipated. [REDACTED]

In early October, during debate in the General Assembly, Austrian Foreign Minister Pahr recalled the Brandt Commission proposal for a North-South summit and

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suggested that this device could rekindle interest in the deadlocked North-South debate. Such a summit had already been discussed during a state visit to Austria by Mexican President Lopez Portillo. [REDACTED]

Shortly after Pahr's speech, Kreisky invited 11 foreign ministers to meet in Vienna to discuss convening a North-South summit. Attending the meeting in November were the foreign ministers, or their representatives, from Algeria, Austria, Canada, the Federal Republic of Germany, France, India, Mexico, Nigeria, Tanzania, Venezuela, and Yugoslavia. Although this group endorsed the summit in principle, agreement could not be reached on the specific details of the agenda and timing. The 11 representatives, therefore, agreed to reconvene in March 1981. [REDACTED]

The March meeting established the following ground rules for a North-South summit:

- o The summit will take place on 22-23 October in Cancun, Mexico.
- o Invitations will be limited to the leaders of 23 countries, including the United States, USSR, China, and other industrialized and developing countries (see attached chart).
- o A formal preparatory meeting will be held in Mexico on 1-2 August for all countries whose leaders have agreed to attend the summit.
- o Instead of a formal agenda there will be a "discussion framework" that broadly addresses the issues of trade, food and agriculture, energy, and international finance and monetary relations.
- o The meeting will be political in nature and informal in atmosphere; there is no intention to engage in negotiations nor to link the summit to the Global Negotiations at the UN. [REDACTED]

Because there will be only one preparatory session for the summit, North-South issues likely will be discussed at the various multilateral meetings that will take place during the six months preceding the Cancun Summit. In particular, the Caracas meeting

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Countries Invited to 22-23 October Cancun Summit

8 Industrialized Countries

- * Austria
- * Canada
- * France
- * Japan
- * Sweden
- United Kingdom
- United States
- * West Germany

Likely Representative

Chancellor Kreisky
Prime Minister Trudeau
President Mitterrand
Prime Minister Suzuki
Prime Minister Falldin
Prime Minister Thatcher
President Reagan
Chancellor Schmidt

13 Developing Countries

Asia: Bangladesh
 * India
 Philippines
 Saudi Arabia

Africa: * Algeria
 Ivory Coast
 * Nigeria
 * Tanzania

Latin America:

- Brazil
- Guyana
- * Mexico
- Venezuela

Unknown
Prime Minister Gandhi
President Marcos
Prince Fahd

President Bendjedid
President Houphouet-Boigny
President Shagri
President Nyerere

President Figueiredo
President Burnham
President Lopez Portillo
President Herra Campins

3 Others

- China
- USSR
- * Yugoslavia

Premier Zhao Ziyang
Chairman Brezhnev
President Sergej Kraigher

* = original co-sponsor country

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on Economic Cooperation Among Developing Countries (13-19 May) and the Ottawa Summit of the "Big Seven" industrialized countries (19-21 July) have been viewed as strategy-planning opportunities for the major developing and industrialized states, respectively.*

The Caracas meeting was attended by 83 LDCs and was the largest meeting of its kind to date. The final report of the conference reaffirmed the need for the LDCs to cooperate among themselves on development issues. They were apparently unable, however, to forge a consensus on substantive or procedural issues to be addressed at the summit.

Design of the Cancun Matrix

The Cancun matrix that follows is a frame of reference to the key concerns of 22 heads of state (excluding the United States) who have been invited to the Cancun Summit. The matrix provides information on each country's likely position toward several key North-South issues that may be discussed at the summit. Because the agenda topics for the Cancun Summit will not be determined until the 1-2 August preparatory meeting in Cancun, the topics included in the matrix correspond to a list suggested by President Lopez Portillo, the summit's host.

The matrix lists the likely representatives of the 22 countries according to country grouping: nine developed countries and 13 less developed countries, which are further subdivided into non-OPEC and OPEC LDCs. We have retained references to Bangladesh because it is not known yet how the assassination of President Ziaur Rahman and the attempted coup will affect its participation in the summit. For each country, four topic columns and one comment column are provided. The topics include international trade, financial and monetary matters, food and agricultural production, and energy. An X is used to denote those topic areas that are likely to be of key concern

* See Appendix A for a schedule of meetings that will take place prior to the minisummit.

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to each country. The comment column briefly summarizes each country's position on the key topics and notes others that may be brought up. [REDACTED]

Key Issues

International Trade in Raw Materials. Since the early 1960s, LDCs have sought new policies to govern international trade in agricultural products and industrial raw materials. Their two key goals are stabilization of commodity prices and assurance of steady growth in export earnings over time. The principal means advocated by LDCs for achieving these ends are agreements between producers and consumers to permit orderly, predictable price increases for individual commodities, the establishment of international stockpiles to buffer the supplies of commodities, and preferential access to developed country markets. [REDACTED]

Developed countries, on the other hand, perceive unstable commodity earnings as being as much a function of domestic LDC production problems as of demand-induced price fluctuations. As a result, they emphasize the need for balance of payments support in bad crop and mining years and tend to favor compensatory financing (which provides balance of payments support for shortfalls in foreign exchange earnings judged beyond the control of the LDC) as a way to solve the problem. At the same time, none of the developed countries have wanted to be cast in the unfavorable position of being unwilling to talk about the possibility of agreements on particular commodities. [REDACTED]

Finance and Monetary Matters. LDCs place a high priority on enhancing the responsiveness of the international monetary system to their economic growth and development needs. They assert that this can be accomplished in part by expanding the IMF's compensatory finance facility, modifying the practice of conditionality in the IMF to reduce or eliminate many of the stipulations imposed on countries when seeking balance of payments assistance, and increasing the LDCs' voting strength in such multilateral institutions as the IMF and World Bank. [REDACTED]

Developed countries agree that the monetary system is important to the smooth

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operation of the LDCs and world economy. They favor expansions in the resources of financial and monetary institutions, particularly when funded with surplus OPEC dollars. However, the developed countries support the existing autonomy of the IMF and World Bank as the proper organizations to handle financial issues and oppose any major change in the decision-making power of these institutions that would dilute the influence of the industrialized states. [REDACTED]

Food and Agricultural Production. Four main themes have emerged in North-South discussions to date on international cooperation for the development and diversification of agricultural production: (a) the transfer of financial resources from the developed countries to supplement mobilization of LDC domestic resources, (b) transfer and adaptation of technology to the needs of individual LDCs and regions, (c) support for the implementation of "national agricultural development strategies", including such goals as improved food storage and distribution facilities in developing countries, and (d) the establishment of an effective basis for world food security, including food aid and emergency food reserves. [REDACTED]

The separate food issues draw different levels of support. The LDCs actively favor any proposal that ensures a system of international grain reserves, encourages self-sufficiency in agricultural production, and protects against food being used as a weapon by the major developed country exporters. Developed countries, however, are generally opposed to any world food security system that does not spread costs equally among exporters and importers, or that would jeopardize the developed countries' own large food export earnings. [REDACTED]

Energy. These issues center on the LDCs' growing awareness of the scarcity of world petroleum supplies, the worsening balance of payments positions of oil-importing LDCs, and the energy requirements to meet LDC economic growth and development targets. The LDCs are seeking effective measures for: (a) the conservation and rational use of energy, (b) the exploration and development of new and renewable as well as

6
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conventional sources of energy, and (c) provision of financial and technical assistance by the international community to those oil-importing countries most adversely affected by rising energy prices. [REDACTED]

The energy issue is prominent in the North-South dialogue. It reflects not only the conflicts of interest between the industrialized and the developing countries, but also between the OPEC and non-OPEC LDCs. The developing countries have in the past contended that the industrialized countries are energy wastrels, and that adequate energy for the LDCs own economic development can, for the most part, come only from decreased developed country energy use. The developed countries have countered that many of the non-OPEC LDCs' energy problems are caused in large measure by OPEC policies and that the non-OPEC LDCs are attacking the wrong targets for the sake of Third World solidarity. In contrast, OPEC has denied all responsibility for the other LDCs' economic difficulties and has contended that its policies are meant to get a fair return from the industrialized countries, which are responsible for the LDCs' poor terms of trade. OPEC has been able to use its oil strength to promote LDC demands that are unacceptable to the developed countries, while at the same time avoiding most price and supply concessions on oil sales to the LDCs. [REDACTED]

Country Notes

Each country's position toward the various topics that are likely to be discussed at the summit is motivated by a variety of factors that are unique to the individual country. The country notes that follow the matrix explain in greater detail the political and economic circumstances that affect each country's stance. For each sheet of country notes:

- o The Political Factors section outlines each country's general position in the North-South dialogue, expectations of what can be accomplished at the summit, leadership position in various North-South fora, and any other political conditions that affect a country's position.

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- o The Economic Indicators section describes each country's relative standard of living, direction and commodity composition of foreign trade, relative debt position as measured by the disbursed, medium- and long-term debt and ratio of debt service to exports of goods and services (LDCs only), and flow of ODA-type contributions to finance development. Unless otherwise stated, all economic data refer to 1980. [REDACTED]

Other Cancun Activities

The Cancun Summit will be a rare opportunity for heads of state to meet and discuss important bilateral issues on such topics as security, trade, and foreign relations. Because the official meeting is relatively unstructured, participants will likely come with a full plate of potential topics in addition to those on North-South points. With the meeting nearly five months away, few, if any, of the participants have formulated plans for bilateral talks. Issues will likely evolve and be ranked in importance as summit plans gel. We will be looking for any signs which suggest that the participating countries see the summit as something more than a forum for North-South discussions. [REDACTED]

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Materials Monetary Matters Agriculture Production

LESS-DEVELOPED COUNTRIES

Ken-OPEC

Bangladesh

X

X

X

Bangladesh takes its role as a spokesman for the LDCs seriously. It intends to press for more Communist and OPEC country aid for LDCs. It will challenge the argument that aid is the responsibility of those capitalist countries that have exploited the LDCs by stressing that aid to the poor from the rich is a moral obligation that has nothing to do with history. Bangladesh is also likely to stress famine relief and agricultural development needs.

X

Brazil
(President
Figueiredo)

X

X

Brazil is heavily in debt, exports both agricultural commodities and industrial goods, and is energy dependent. Brazil's key concerns will likely revolve around unimpeded access to developed country markets, protection of trade preferences, improved IMF financing facilities and technology transfer issues.

X

China
(Premier Zhao)

X

China is more interested in being seen at the summit than in substance. It sees the meeting as a chance to bolster its leadership image in the Third World by criticizing both the OECD countries and the Soviet Bloc. Current agricultural problems and interest in World Bank/IMF loans may focus its discussion on these issues.

X

X

Guyana
(President
Burnham)

As a radical country, Guyana will likely stress the need for overall reform in the global economic system, especially in trade and finance.

X

X

India
(Prime Minister
Cairns)

India's dependence on World Bank/IMF funding and textile and tea export trade will direct its concerns to trade preferences, commodity agreements, and programs to assist the oil-importing LDCs. India has stressed that the summit meetings should be independent of the global negotiations.

X

Ivory Coast
(President Houphouët-Boigny)

Ivory Coast has not been an active participant in past North/South affairs. However, as a major exporter of cocoa, coffee, and other tropical agricultural products, it probably will stress the need for trade preferences and commodity agreements that provide maximum price support benefits for LDCs.

Nicaragua
(President Leizaola)

Lopez Portillo, as host, places a great deal of personal prestige on the success of the summit and will likely encourage moderation on all issues

Country	Trade & Raw Materials	Finance and Monetary Matters	Food and Agricultural Production	Energy	Comments
Philippines (President Marcos)	X				<p>Marcos sees himself as a spokesman for ASEAN. He therefore will likely stress trade concessions in raw materials and light industrial products.</p>
Tanzania (President Nyerere)	X	X			<p>Tanzania is ideologically opposed to the capitalist-dominated trade and monetary systems and will argue for basic reform in these systems.</p>
OPEC:					
Algeria (President Boumedienne)				X	<p>Algeria has been most concerned that the minisummit be linked to the UN global negotiations and will likely push for a commitment to begin the global negotiation process.</p>
Nigeria (President Shagari)			X	X	<p>Nigeria has been falling behind in its agricultural programs and may stress the need for greater international agricultural cooperation and technology transfer.</p>
Saudi Arabia (Prince Fahd)		X		X	<p>Saudi Arabia will be especially sensitive to discussions that criticize high energy costs and increased recycling of petrodollars to the LDCs outside of existing frameworks.</p>
Venezuela (President Herrera Campesino)	X			X	<p>Venezuela views the summit as part of the total move toward global negotiations. Venezuela would like to encourage cooperation between oil-producing and oil-importing LDCs and, in general, the need for cooperation among LDCs in furthering economic development. Venezuela has traditionally favored preferences for raw material exports to the North.</p>

* original co-sponsor of minisummit

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AUSTRIA
(Chancellor Bruno KREISKY)

POLITICAL FACTORS

On North-South Issues:

- o Austria has been a quiet participant in the North-South dialogue but tries to be sympathetic to the needs of the LDCs.
- o Kreisky views North-South issues from a philosophical perspective of justice and equity but has few pragmatic solutions to offer.

On Cancun Summit:

- o Kreisky, one of the original co-chairmen, is philosophically committed to the summit but does not expect any concrete results.
- o Kreisky accepted the co-chairman job partly out of consideration for his close personal and political friend, Willy Brandt.
- o Kreisky places a certain amount of personal prestige on the success of the summit but will probably not be an active participant.

Important Memberships:

ADB — Asian Development Bank
IADB — Inter-American Development Bank
EFTA — European Free Trade Association
OECD
IEA — International Energy Agency
Producer-consumer associations for coffee and cocoa.

ECONOMIC INDICATORS

GNP Per Capita \$10,170

Growth in Real GNP 3.6%

Trade:

Of total exports (US\$ 17.5 billion, 17% went to LDCs. The major LDC partners included Iran (1%), Iraw (1%), Nigeria (1%), and Libya (0.7%). The main exports were machinery and transport equipment (27%), iron and steel (11%), textiles and apparel (11%), and chemicals (9%).

Of total imports (US\$ 24.5 billion), 13% came from LDCs. The primary LDC suppliers included Iraq (2%), Saudi Arabia (2%), Libya (1%), and Brazil (0.6%). Leading imports were machinery and transport equipment (30%), petroleum (12%), chemicals (10%), textiles and apparel (10%), and foodstuffs (7%).

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SWEDEN
(Prime Minister Thorbjorn FALLDIN)

POLITICAL FACTORS

On North-South Issues:

- o Traditionally sympathetic to the problems of the Third World, especially food and health issues.
- o Advocates a commitment by industrialized states to increase official development assistance (ODA).
- o Sees North-South issues more as a moral obligation on the part of the richer countries to help poorer nations.

On Cancun Summit:

- o Sweden will likely call for the industrialized countries to increase ODA to the LDCs and reduce the conditions attached to IMF loans.
- o Also interested in population problems in the Third World and may bring this matter forward for discussion.

Important Memberships:

ADB — Asian Development Bank
IADB — Inter-American Development Bank
EFTA — European Free Trade Association
OECD
IEA — International Energy Agency
AIOEC — Association of Iron-Ore Exporting Countries
Producer-Consumer associations for cocoa, coffee, and sugar.

ECONOMIC INDICATORS

GNP Per Capita \$14,820

Growth in Real GNP 2.3%

Trade:

Of total exports (US\$ 30.9 billion), 13% went to LDCs. The major LDC partners included Saudi Arabia (2%), Iraq (1%), and Singapore (1%). The main exports were machinery and transport equipment (41%), iron and steel (8%), and chemicals (5%).

Of total imports (US\$ 33.4 billion), 13% came from LDCs. The major LDC suppliers included Saudi Arabia (5%), Nigeria (2%), Venezuela (1%), and Libya (1%). Leading imports were machinery and transport equipment (28%), petroleum (22%), and iron and steel (5%).

Net Disbursements of ODA, 1979 \$956.1 million

ODA as Share of GNP 0.94%

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YUGOSLAVIA
(President Sergej KRAIGHER)

POLITICAL FACTORS

On North-South Issues:

- o An original founder of the Nonaligned Movement (NAM).
- o Sees itself allied with the Third World even though its problems are more closely associated with those of industrialized countries.
- o Strong supporter of the UN Global Negotiations proposal.

On Cancun Summit:

- o Primarily interested in maintaining a high profile as a Third World leader, especially after Tito's death.
- o Sees its role as a moderator and bridge between North and South and also between East and West.

Important Memberships:

Inter-American Development Bank
CMEA — Council on Mutual Economic Assistance
OECD — Limited participant
CIPEC — Intergovernmental Council of Copper Exporting Countries
Producer-consumer associations for bauxite, cocoa, coffee, sugar, and tin.

ECONOMIC INDICATORS

GNP Per Capita \$2,975

Growth in Real GNP 3.0%

Trade:

Of total exports (US\$ 9.0 billion), 22% went to LDCs. The major LDC partners included Iraq (4%), Egypt (2%), Libya (1%), and Nigeria (1%). The main exports were non-electrical machinery (11%), transport equipment (10%), electrical machinery (9%), and clothing and footwear (8%).

Of total imports (US\$ 15.1 billion), 18% came from LDCs. The major LDC suppliers included Iraq (7%), Libya (1%), Egypt (1%), Nigeria (1%), and India (0.7%). Leading imports were non-electrical machinery (22%), petroleum and products (14%), transport equipment (7%), and iron and steel (6%).

Net Disbursements of ODA, 1979 \$28.9 million

ODA as Share of GNP 0.04%

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ALGERIA
(President, Col. Chadli BENDJEDID)

POLITICAL FACTORS

On North-South Issues:

- o Algeria sees OPEC as a model for economic development and action against the industrialized countries.
- o Algeria was the original sponsor of the Global Negotiations concept at the United Nations and prefers to carry on North-South discussions at the UN where the South can control the discussion.

On Cancun Summit:

- o Algeria has been somewhat reluctant to participate in the summit because it fears that it will bypass the Global Negotiations issue.
- o Algeria will probably not stress the substance of the discussions at Cancun but will seek to build a commitment to launch the Global Negotiations as soon as possible.

Important Memberships:

Arab Fund for Economic and Social Development
Arab Monetary Fund
African Development Bank
OPEC
OAPEC
AIOEC — Association of Iron-Ore Exporting Countries.

ECONOMIC INDICATORS

GNP Per Capita \$2,100

Growth in Real GNP 6.5%

Agriculture's Share of GNP 6.0%

Trade:

Of total exports (US\$ 15.9 billion), 50% went to the US, 15% to France, 11% to West Germany, and 6% to Italy. The main exports were petroleum (92%) and natural gas (6%).

Of total imports (US\$ 10.6 billion), 19% came from France, 18% from West Germany, 13% from Italy, and 6% from the US. Leading imports were capital goods (38%) and foodstuffs (16%).

Total Debt \$19.0 billion

Debt Service Ratio 29%

Net Receipts of ODA, 1979 \$60.6 million

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BANGLADESH
(Representative Unknown)

POLITICAL FACTORS*

On North-South Issues:

- o Bangladesh sees itself as a spokesman for the poorest, least developed countries (LLDCs) whose primary concerns are basic human needs.
- o Bangladesh is an exporter of agricultural commodities and favors programs that will stabilize markets and earnings of primary commodities.

On Cancun Summit:

- o Bangladesh can be expected to stress the unique problems of the LLDCs that stress famine relief and grants-in-aid, and that take account of the poor infrastructure and low absorptive capacities of the poorest nations.

Important Memberships:

ADB — Asian Development Bank
Islamic Development Bank
International Sugar Organization.

ECONOMIC INDICATORS

GNP Per Capita \$125

Growth in Real GNP 6.0%

Agriculture's Share of GNP 39%

Trade:

Of total exports (US\$ 758 million), 14% went to the US, 8% to the USSR, 7% to Italy, 7% to the UK and 6% to Pakistan. The main exports were jute products (48%) and raw jute (16%).

Of total imports (US\$ 2.6 billion), 19% came from the US, 12% from Japan, 8% from the UK, 5% from West Germany, 5% from Singapore, and 5% from China. Leading imports were capital goods (25%), petroleum and products (19%), foodstuffs (9%), and fertilizer (4%).

Total Debt \$3.6 billion

Debt Service Ratio 21%

Net Receipts of ODA, 1979 \$1.2 billion

* It is not yet known how the assassination of President Ziaur Rahman will affect Bangladesh's participation in the Cancun summit.

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BRAZIL
(President Joao FIGUEIREDO)

POLITICAL FACTORS

On North-South Issues:

- o Brazil, one of the most industrialized LDCs, is concerned with what it sees as growing protectionism in the industrialized states against LDC industrial exports such as steel and textiles.
- o Brazil, because of its industrial program and acute dependence on imported oil, is concerned over the adverse effects of high energy prices and the increasing financial drain caused by energy imports.
- o Brazil has borrowed heavily from both multilateral and private lending institutions and although it has been able to manage high debt and debt-servicing costs, is anxious to promote increased investment and debt rescheduling mechanisms.

On Cancun Summit:

- o Figueiredo will likely stress the need for industrialized nations to open their economies to LDC exports as one way of attracting increased private investment.
- o Brazil may also call upon the OPEC nations to increase direct investment instead of recycling petrodollars through private or multilateral lending institutions.

Important Memberships:

IADB - Inter-American Development Bank
LAFTA - Latin American Free Trade Association
Producer-consumer associations for coffee, cocoa, and sugar.

ECONOMIC INDICATORS

GNP Per Capita \$2,000

Growth in Real GNP 8.0%

Agriculture's Share of GNP 11%

Trade:

Of total exports (US\$ 20.0 billion), 27% went to the EC, 17% to the US, 17% to LAFTA and 7% to West Germany. The main exports were manufactured products (42%), coffee (14%), soybeans (11%), iron ore (8%), vehicles (8%), and sugar (6%).

Of total imports (US\$ 23.0 billion), 19% came from Iraq, 18% from the US, 9% from Saudi Arabia, and 7% from West Germany. Leading imports were petroleum (45%), machinery (19%), chemicals (8%), and nonferrous metals (4%).

Total Debt \$54.0 billion

Debt Service Ratio 60%

Net Receipts of ODA, 1979 \$115.2 million

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CHINA
(Premier ZHAO Ziyang)

POLITICAL FACTORS

On North-South Issues:

- o China sees itself as a leader of the Third World, but is a relative newcomer to the North-South dialogue.
- o China believes that the industrialized countries must make certain concessions in trade and finance in order to allow LDCs to become self reliant, which they see as the primary prerequisite to economic growth.
- o While critical of the industrialized states of the West, China views the current tension between North and South as providing political opportunities for the Soviet Union to increase its influence in the LDCs.

On Cancun Summit:

- o China sees its participation as confirming its status as a major participant in the North-South dialogue.
- o China will urge the industrialized states to make concessions, and will be highly critical of the Soviet Union's attitude towards the summit and LDC economic development in general.
- o China will urge North-South cooperation as a potent deterrent of Soviet expansionism.

Important Memberships:

China does not belong to any major economic organizations outside of the United Nations and its specialized agencies.

ECONOMIC INDICATORS

GNP Per Capita \$290

Growth in Real GNP 12.5%

Agriculture's Share of GNP 31%

Trade:

Of total exports (US\$ 19.8 billion), 22% went to Hong Kong, 21% to Japan, 6% to the US, and 4% to West Germany. The main exports in 1979 were foodstuffs (16%), textiles (16%), petroleum (19%), and apparel (8%).

Of total imports (US\$ 19.4 billion), 26% came from Japan, 20% from the US, 6% from West Germany and 7% from Hong Kong. Leading imports in 1979 were machinery and equipment (26%), iron and steel (23%), grain (10%), and cotton (1%).

Total Debt \$3 billion

Debt Service Ratio 7%

Net Receipts of ODA, 1979 \$4.3 million

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GUYANA
(President L.F.S. Burnham)

POLITICAL FACTORS

On North-South Issues:

- o Not a major participant in North-South discussions.
- o Leans toward the more radical LDCs which advocate sweeping reform of the existing global economic order.

On Cancun Summit:

- o Food and energy are prominent domestic concerns which may be reflected in Burnham's participation at the summit.
- o Guyana, a major bauxite producer, may also support commodity arrangements among producers or between producers and consumers which would guarantee export earnings.

Important Memberships:

CARICOM — Caribbean Community and Common Market
IADB — Inter-American Development Bank
Lome Convention with the EC
International Bauxite Association
OLADE — Latin American Energy Association.

ECONOMIC INDICATORS

GNP Per Capita \$875

Growth in Real GNP -0.1%

Agriculture's Share of GNP 69%

Trade:

Of total exports (US\$ 386 million), 28% went to the UK, 24% to the US, 9% to Canada, 7% to Japan, and 6% to Jamaica. The main exports were sugar (31%), bauxite (37%), alumina (11%) and rice (9%).

Of total imports (US\$ 440 million), 26% came from the US, 26% from Trinidad and Tobago, 21% from the UK, 4% from Canada, and 4% from Japan. Leading imports were petroleum (23%), machinery and transport equipment (21%), and foodstuffs (16%).

Total Debt \$0.5 billion

Debt Service Ratio 27%

Net Receipts of ODA, 1979:.....\$34.8 million

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INDIA
(Prime Minister Indira GANDHI)

POLITICAL FACTORS

On North-South Issues:

- o India, like Brazil and Mexico, is concerned about growing protectionism in the industrialized countries against Third World industrial exports such as steel and textiles.
- o India has emphasized the need for external financing of industrial projects but favors increased multilateral lending with fewer conditions instead of bilateral or private investment which it sees as too manipulative.

On Cancun Summit:

- o Gandhi has not committed herself to attending the summit but if she does she can be expected to be highly critical of the industrialized countries.
- o Gandhi, concerned over recent IMF/World Bank loans to China, probably will seek a commitment by the industrialized states to increase funding of multilateral development banks and reduce the conditions attached to multilateral loans.

Important Memberships:

ADB — Asian Development Bank
AIOEC — Association of Iron-Ore Exporting Countries
ANRPC — Association of Natural Rubber Producing Countries
Producer-consumer associations for coffee, sugar and tin.

ECONOMIC INDICATORS

GNP Per Capita \$220

Growth in Real GNP 6.5%

Agriculture's Share of GNP 37%

Trade:

Of total exports (US\$ 9.2 billion), 13% went to the US, 10% to Japan, 10% to the USSR, and 7% to the UK. The main exports in 1979 were iron and steel manufactures (11%), leather products (9%), gems (7%) and tea (6%).

Of total imports (US\$ 15.6 billion), 10% came from the US, 10% from Iraq, 8% from the USSR and 8% from the UK. Leading imports in 1979 were petroleum (35%), edible oils (8%), and fertilizers (8%).

Total Debt \$18.0 billion

Debt Service Ratio 15%

Net Receipts of ODA, 1979 \$1.4 billion

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IVORY COAST
(President Felix HOUPHOUET-BOIGNY)

POLITICAL FACTORS

On North-South Issues:

- o The Ivory Coast has continuously stressed the need for secure and increased revenues for the LDCs from agricultural exports.
- o The Ivory Coast shares the concern that continued conditions of poverty in the Third World present opportunities for Soviet expansion into these areas, directly or through surrogates.
- o Houphouet-Boigny has never placed any stock in international forums or regional organizations where North-South issues are discussed and prefers bilateral arrangements with industrialized countries.

On Cancun Summit:

- o Houphouet-Boigny has never attended multilateral conferences, such as the OAU summits, because of his personal conviction that no concrete results are ever reached at these meetings; there is yet no indication that he intends to attend the Cancun summit.
- o The Ivory Coast, if it attends, can be expected to stress the need for agricultural commodity preferences and price supports.

Important Memberships:

African Development Bank
ECOWAS — Economic Community of West African States
Lome Convention with the EC
Producer-consumer associations for coffee and cocoa

ECONOMIC INDICATORS

GNP Per Capita \$1,295

Growth in Real GNP 6.5%

Agriculture's Share of GNP 21%

Trade:

Of total exports (US\$ 2.8 billion) in 1979, 24% went to France, 18% to the Netherlands, and 10% to the US. The main exports were coffee (30%), cocoa (25%), wood (15%), and petroleum products (4%).

Of total imports (US\$ 2.3 billion) in 1979, 37% came from France, 6% from Japan, 6% from the US, and 5% from West Germany. Leading imports were capital goods (32%), petroleum and products (15%), foodstuffs (13%), and iron and steel products (7%).

Total Debt \$4.5 billion

Debt Service Ratio 24%

Net Receipts of ODA, 1979 \$162.3 million

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MEXICO
(President Jose LOPEZ PORTILLO)

POLITICAL FACTORS

On North-South Issues:

- o Mexico, one of the Newly Industrializing Countries, has been active in promoting the need for trade preferences and increasing productive investment.
- o Mexico and Venezuela are co-founders of OLADE — the Latin American Energy Agency — a regional energy cooperation program to aid the non-oil LDCs.

On Cancun Summit:

- o Lopez Portillo has placed a great deal of personal and political prestige on the success of the summit and sees it as a major accomplishment of his term as president.
- o Lopez Portillo probably will play the role of the host and moderator at the summit and refrain from taking an active part in substantive discussions, except to promote his world energy cooperation program.
- o As host and moderator, Lopez Portillo can be expected to stress the need for increased understanding between North and South and emphasize the creation of an atmosphere of cooperation and a free flow of ideas among the world leaders.

Important Memberships:

IADB — Inter-American Development Bank
LAFTA — Latin American Free Trade Association
OLADE — Latin American Energy Association
Producer-Consumer associations for coffee, cocoa, and sugar.

ECONOMIC INDICATORS

GNP Per Capita \$2,430

Growth in Real GNP 7.4%

Agriculture's Share of GNP 10%

Trade:

Of total exports (US\$ 16.9 billion), 63% went to the US, 21% to Europe, and 14% to Japan. The main exports were petroleum (56%), manufactured goods (20%), coffee (3%), and cotton (2%).

Of total imports (US\$ 18.6 billion), 65% came from the US, 19% from Europe, and 5% from Japan. Leading imports were machine tools (23%), iron and steel (10%), chemicals (8%), cereals (7%), and sugar (3%).

Total Debt \$48.8 billion

Debt Service Ratio 31%

Net Receipts of ODA, 1979 \$65.9 million

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NIGERIA
(President Alhadj Shehu SHAGARI)

POLITICAL FACTORS

On North-South Issues:

- o Nigeria, one of two Black African members of OPEC, has over-emphasized its petroleum industry in recent years and is anxious to secure financing for agricultural development, which has fallen behind.
- o Nigeria favors export stabilization programs for primary products.
- o The current oil glut has temporarily reduced Nigeria's export revenues and, if prolonged, may force them to borrow from multilateral or private lending institutions and curtail economic development and industrialization.

On Cancun Summit:

- o Shagari will stress Nigeria's role as an economic leader in Africa and speak in general terms of the need for increased cooperation from the North.
- o Shagari may also point out Nigeria's willingness to use its oil for political ends, especially by its resolve to seek an oil embargo of South Africa.

Important Memberships:

African Development Bank
ECOWAS — Economic Community of West African States
Lome Convention with the EC
OPEC
Producer-consumer associations for cocoa, coffee, sugar, and tin.

ECONOMIC INDICATORS

GNP Per Capita \$1,000

Growth in Real GNP 7.0%

Agriculture's Share of GNP 18%

Trade:

Of total exports (US\$ 25.4 billion), 43% went to the US and 30% went to EC. The main exports were petroleum and products (95%) and cocoa (3%).

Of total imports (US\$ 19.0 billion), 60% came from the EC, 11% from the US, and 11% from Japan. Leading imports were capital goods (46%), consumer goods (17%), and foodstuffs (15%).

Total Debt \$3.5 billion

Debt Service Ratio 2%

Net Disbursements of ODA, 1979 \$5 million

ODA as Share of GNP01%

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PHILIPPINES
(President Ferdinand MARCOS)

POLITICAL FACTORS

On North-South Issues:

- o The Philippines has been a fairly active but moderate participant in North-South issues, primarily concerned with the stabilization of revenues from primary commodity exports.
- o Manila sponsored UNCTAD V in 1979 and will likely become the headquarters of the Common Fund, the UN commodity scheme. Both these have given the Philippines added prestige among the LDCs.
- o The Philippines has shown particular interest in ways to increase investment from private industry or other sources that do not attach the economic conditions of IMF/World Bank loans.

On Cancun Summit:

- o Marcos sees himself as a representative of the ASEAN countries and has begun canvassing those capitals on possible issues to discuss.
- o Marcos probably is interested in discussing the ways in which multinationals and OPEC countries can contribute money and technology for specific Third World projects, bypassing the World Bank and other multilateral development banks.

Important Memberships:

ASEAN — Association of Southeast Asian Nations
ADB — Asian Development Bank
Producer-consumer organizations for cocoa and sugar.

ECONOMIC INDICATORS

GNP Per Capita \$740

Growth in Real GNP 4.7%

Agriculture's Share of GNP 23%

Trade:

Of total exports (US\$ 5.8 billion), 35% went to Japan and 33% went to the US. The main exports were manufactures (34%), sugar (13%), coconut products (13%), and copper concentrates (12%).

Of total imports (US\$ 8.3 billion), 24% came from the US, 19% from Japan, and 12% from Saudi Arabia. Leading imports were raw materials (52%) and petroleum (27%).

Total Debt \$9.2 billion

Debt Service Ratio 18%

Net Receipts of ODA, 1979 \$266.1 million

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SAUDI ARABIA
(Crown Prince FAHD)

POLITICAL FACTORS

On North-South Issues:

- o Saudi Arabia supports LDC demands for increased financial assistance and control but claims that the industrialized states must make the major concessions, not the OPEC states.
- o Saudi Arabia is particularly sensitive to criticism from both industrialized and developing nations that it is not using its vast financial resources to aid the Third World as much as possible.
- o Saudi Arabia claims that energy price and supply problems are properly discussed within OPEC and not in other multilateral forums.

On Cancun Summit:

- o Saudi Arabia is particularly hesitant to attend the summit because it fears that it will be singled out for criticism by both sides.
- o Saudi Arabia will be particularly supportive of OPEC actions and contends that such action was a positive response to the existing international economic system imposed by the industrialized countries.
- o Saudi Arabia will push to keep discussion from becoming issue-specific and will speak in generalities about the need for increased concessions by the industrialized countries.

Important Memberships:

OPEC
OAPEC
Arab Fund for Economic and Social Development
Arab Monetary Fund
Islamic Development Bank

ECONOMIC INDICATORS

GNP Per Capita \$13,010

Growth in Real GNP 8.0%

Agriculture's Share of GNP 1%

Trade:

Of total exports (US\$ 99.1 billion), 21% went to Japan, 15% to the US, 11% to France, and 7% to Italy. The main export was petroleum (99%).

Of total imports (US\$ 30.3 billion), 28% came from the US, 24% from Japan, 12% from UK and 11% from West Germany. Leading imports were machinery and transport equipment (43%) and foodstuffs (11%).

Total Debt \$3.5 billion

Debt Service Ratio 1%

Net Disbursements of ODA, 1979 \$1.9 billion

ODA as Share of GNP 3.1%

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TANZANIA
(President Julius NYERERE)

POLITICAL FACTORS

On North-South Issues:

- o Nyerere advocates self-reliance as the path toward economic development in the LDCs, but believes that the current trade and financial systems impose Western models of development that do not permit self-reliance to take place.
- o Tanzania has lobbied for increased financial commitment from the industrialized countries with fewer conditions attached.
- o Tanzania has been especially critical of the Soviet Union and OPEC, which it feels are especially inattentive to the ambitions of the LDCs.

On Cancun Summit:

- o Nyerere sees the minisummit as an opportunity to bring his somewhat dogmatic views directly to the leaders of the industrialized and OPEC worlds.
- o Nyerere will not be deferred by attempts to point out the current economic problems of the West, but probably will be receptive to pledges of increased cooperation, especially in the areas of food, finance, energy, and the promotion of productive investment through joint government-private sector cooperation.

Important Memberships:

ADB — African Development Bank
Lome Convention with the EC
International Coffee Organization

ECONOMIC INDICATORS

GNP Per Capita \$260

Growth in Real GNP 3.4%

Agriculture's Share of GNP 53%

Trade:

Of total exports (US\$ 596.6 million), 50% went to the EC, 12% to the US, and 7% to Africa. The main exports were coffee (27%), manufactured goods (22%), cotton (11%), and sisal (6%).

Of total imports (US\$ 1.2 billion), 52% came from the EC, 8% from the Middle East, and 6% from the US. Leading imports were machinery and transport equipment (47%), intermediate goods (28%), petroleum (16%), and foodstuffs (4%).

Total Debt \$1.3 billion

Debt Service Ratio 10%

Net Receipts of ODA, 1979 \$584.0 million

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VENEZUELA
(President Luis HERRERA Campins)

POLITICAL FACTORS

On North-South Issues:

- o Believes international trading system is biased in favor of industrialized countries.
- o A "founder" of OPEC; sees OPEC as a model for LDC producer organizations as way of increasing revenue for development.
- o Believes LDCs need to cooperate with each other in order to ensure development; recently hosted conference on Economic Cooperation Among Developing Countries.

On Cancun Summit:

- o Will likely stress need for LDC cooperation and deflect criticism of OPEC by other LDCs by pointing to opportunities for cooperation between non-oil and oil-producing LDCs.
- o Does not believe summit will have positive effects if discussion becomes bogged down on specific issues.
- o Herrera will probably rely heavily on his personal representative on international economic affairs, Manuel Guerrero, current Chairman of the Group of 77 in New York.

Important Memberships:

OPEC
OLADE — Latin American Energy Association
LAFTA — Latin American Free Trade Association
IADB — Inter-American Development Bank
AIOEC — Association of Iron-Ore Exporting Countries
Producer-consumer associations for coffee and cocoa.

ECONOMIC INDICATORS

GNP Per Capita, \$4,040

Growth in Real GNP 0.9%

Agriculture's Share of GNP 6%

Trade:

Of total exports (US\$ 14.3 billion), 34% went to the US and 22% to the Netherlands Antilles. The main exports are petroleum and products (94%).

Of total imports (US\$ 11.4 billion), 46% came from the US and 17% from Canada. Leading imports were machinery and transport equipment (47%) and foodstuffs (14%).

Total Debt \$11.0 billion

Debt Service Ratio 16%

Net Disbursements of ODA, 1979 \$77.1 million

ODA as Share of GNP 0.17%

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APPENDIX A

MAJOR MEETINGS PRIOR TO CANCUN SUMMIT

13-19 May	Economic Cooperation Among Developing Countries (ECDC), High Level Conference for G-77, Caracas.
18-19 May	OECD Executive Committee In Special Session, Paris
21-22 May	US/EC Consultations, Brussels
04-06 June	Preparatory Meeting, Ottawa Economic Summit, Vancouver
08-09 June	Reagan/Lopez Portillo Bilateral, Camp David
09-10 June	OECD North/South Group, Paris
14-15 June	IEA Ministerial, Paris
16-17 June	OECD Ministerial, Paris
06-08 July	Summit Preparatory Meeting, Ottawa
19-21 July	Big Seven Summit, Ottawa
29-30 July	OECD North/South Group (Provisional), Paris
01-02 August	North-South Summit, 3rd Preparatory Meeting (Foreign Minister Level), Cancun
10-21 August	U.N. Conference on New and Renewable Sources of Energy, Nairobi
01-14 September	U.N. Conference on Least Developed Countries, Paris
14-25 September	UNCTAD - Trade and Development Board, 23rd Session, Geneva
23-24 September	OECD North/South Group (Provisional), Paris
28-30 September	Bank/Fund Meetings, Washington
15 Sept. - December	General Assembly, 36th Session, New York
22-23 October	Summit, Cancun